

# FINANCIAL MANAGEMENT ADVISORY COMMITTEE MINUTES

August 16, 2006

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The Financial Management Advisory Committee met on August 16, 2006. The following were in attendance:

NAME	DEPARTMENT/DIVISION
Mike Clark	Department of Mental Health
Kathy Wehmeyer	Department of Labor and Industrial Relations
Judy Gehrke	Department of Economic Development
Sarah Clardy	Department of Elementary and Secondary Education - VR
Shirley Gerling	Department of Insurance
Carol Newgaard	State Auditor's Office
Dan Case	State Treasurer's Office
Stacey Jacobs	State Tax Commission
LaVerne Brondel	Department of Natural Resources
Janet Pointer	Department of Natural Resources
Robin Hager	DESE
Andrea Beck	DESE
Joe Roberts	House of Representatives
Brian Dowden	OSCA
Mike Hancock	OSCA
Denny Kunze	MoDOT
Arlan Holmes	OA
Lynn Cannon	OA
Tom Sadowski	OA
Michelle Nix	MOSERS
Gary Irwin	MOSERS
Rob Verslues	Professional Registration
Kim Sandbothe	Division of Finance
Rebecca Imhoff	Department of Revenue
Dan Redel	Public Service Commission
Theresa McDonald	Department of Social Services
Carol Willhite	Department of Public Safety
Debbie Davis	Division of Credit Unions

## **Presentation:**

Jerry Wingate, Department of Revenue (DOR), presented information about the different types of electronic payment systems DOR uses for electronic tax collection. Mr. Wingate explained the Internet on-line payment and EFT (ACH) payment systems, the Internet installment payment and payroll deduction programs, and check conversion to ACH.

Mr. Wingate stated that DOR offers a wide range of on-line tax payment options via the Internet, including personal income tax, withholding tax, corporate income tax, sales/use

tax, motor fuel tax, and tobacco tax. Payment effective dates can be selected by the customer and “stacked” up to 45 days in advance. Estimated payments may be scheduled over a year’s time. Customers have the option of paying with a credit or debit card or by E-check (ACH). They receive a printed receipt. DOR has collected approximately \$872 million to-date in calendar year 2006 via the on-line Internet system.

Mr. Wingate stated that EFT (ACH) payments are initiated by the customer’s bank and electronically deposited to the state account. The state’s contracted bank strips the ACH addendum data (tax filing information supplied by the taxpayer) and transmits it to DOR’s various tax systems. In order for customers to participate, they must complete the Electronic Filing Trading Partner Agreement. The EFT (ACH) payment system has collected about \$2.2 billion to-date in calendar year 2006.

Mr. Wingate explained that the Internet payment installment program is an agreement that customers can enter into with DOR to pay outstanding tax bills. The agreement may include automatic payment withdrawals from a customer’s credit card or bank account and may include a one-time payment or a monthly installment for up to 24 months. DOR has received over \$334,000 through the Internet installment method in calendar year 2006.

The payroll deduction program is a way for state employees to pay past tax balance due amounts through installment payments. The Office of Administration intercepts the appropriate amount from the employee’s pay checks and transmits employee tax payment information to DOR tax systems.

Mr. Wingate explained that check conversion is a method recently implemented by DOR to capture bank information from a check, create an image, and submit and process a payment electronically. Checks collected in DOR’s Field Compliance and Taxpayer Services offices throughout the state and nation no longer have to be deposited in a local bank or mailed to Jefferson City. Since implementation in mid-July, 2006, DOR has converted 1,400 checks, totaling \$2.6 million.

DOR will continue to add various electronic payment options. Mr. Wingate ended the presentation by providing the department’s phone number (573) 751-8150 or e-mail address, [elecfile@dor.mo.gov](mailto:elecfile@dor.mo.gov).

### **Status Reports:**

Office of Administration, Division of Accounting / SAM II – Lynn Cannon stated that the Office of Administration vendor payment website is now accessible. Accounting is also working with ITSD on the warrant intercept process. ITSD is revising the warrant intercept MOBIUS report 474R1 to make it more secure. Agencies must coordinate through DOR for check cancellation of intercepted vendor payments.

Tom Sadowski stated that Mark A. Kaiser is retiring in December and will be replaced by Karen Harms.

Mr. Sadowski stated that OA began a pilot of paperless check distribution with the August 15, 2006, payroll. OA is also looking at ways to improve the purchasing card to make it more effective.

**Subcommittee Status Reports:**

Imaging – Theresa McDonald stated that the sub-committee visited the child support payment vendor, SMI, recently and observed an imaging system.

**Others:**

SAM III – Mr. Sadowski stated that the next update to SAM is currently being reviewed and, in his opinion, must include imaging.

The next meeting is scheduled for Wednesday, September 6 at 8:30 in Room 750 of the HSTOB.